



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-469-819]

Acetone from Spain: Preliminary Affirmative Determination of Sales at Less Than Fair Value, and Preliminary Determination of No Shipments

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that acetone from Spain is being, or is likely to be, sold in the United States at less than fair value (LTFV).

The period of investigation (POI) is January 1, 2018 through December 31, 2018. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Preston Cox, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5041.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this investigation on March 18, 2019.<sup>1</sup> For a complete description of the events that followed the

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<sup>1</sup> See *Acetone from Belgium, the Republic of Korea, the Kingdom of Saudi Arabia, Singapore, the Republic of South Africa, and Spain: Initiation of Less-Than-Fair-Value Investigations*, 84 FR 9755 (March 18, 2019) (Initiation Notice).

initiation of this investigation, *see* the Preliminary Decision Memorandum.<sup>2</sup> A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and the electronic versions of the Preliminary Decision Memorandum are identical in content.

#### Scope of the Investigation

The product covered by this investigation is acetone from Spain. For a complete description of the scope of this investigation, *see* Appendix I.

#### Scope Comments

In accordance with the preamble to Commerce's regulations, the Initiation Notice set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope). Certain interested parties commented on the scope of the investigation as it appeared in the Initiation Notice. For a summary of the product coverage comments and rebuttal responses submitted to the record for this preliminary determination and accompanying discussion and analysis of all comments timely received, *see* the Preliminary Scope Decision Memorandum.<sup>3</sup>

In accordance with the comments discussed below, Commerce is adding a five percent

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<sup>2</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Acetone from Spain" dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>3</sup> *See* Memorandum, "Acetone from Belgium, Korea, Singapore, South Africa, and Spain: Scope Comments Preliminary Decision Memorandum," dated July 29, 2019.

“threshold” to the scope description. In accordance with the threshold, a product is excluded from the scope of this investigation if the total acetone component of the product (regardless of the source or sources) comprises less than five percent of the product on a dry weight basis. Additionally, Commerce has added an illustrative list of subheadings under Chapter 38 of the HTSUS that may include subject acetone. Finally, Commerce has made other non-substantive revisions to the language of the scope in order to improve clarity.

*See* the revised scope in Appendix I to this notice.

### Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Pursuant to sections 776(a) and (b) of the Act, Commerce has preliminarily relied upon facts otherwise available, with adverse inferences for CEPSA Quimica, S.A. (CEPSA). For a full description of the methodology underlying the preliminary determination, *see* the Preliminary Decision Memorandum.

### Preliminary Determination of No Shipments

On March 25, 2019, Industrias Químicas del Oxido de Etileno, S.A. (IQOXE), one of the two Spanish producers/exporters named in the petition,<sup>4</sup> timely filed a statement reporting that it had “no exports, shipments, or sales” of subject merchandise to the United States during the POI.<sup>5</sup> Subsequently, to confirm the accuracy of IQOXE’s statements, Commerce queried U.S. Customs and Border Protection (CBP) data for entries of subject merchandise by IQOXE during the POI.<sup>6</sup> On April 19, Commerce confirmed in a memorandum that IQOXE made no shipments

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<sup>4</sup> *See* the Petitions for the Imposition of Antidumping on Imports of Acetone from Belgium, Korea, Saudi Arabia, Singapore, South Africa and Spain, dated February 19, 2019 (the Petition), Volume I at 8, 31 and Exhibit I-10.

<sup>5</sup> *See* Letter, “Acetone from Spain: First Supplemental Questionnaire,” dated March 25, 2019.

<sup>6</sup> *See* Memorandum, “No Shipment Inquiry With Respect to the Company Below During the Period 01/01/2018 – 12/31/2018,” dated April 16, 2019.

of acetone during the POI.<sup>7</sup> Furthermore, there is no evidence on the record indicating that IQOXE is affiliated with CEPSA or any producers/exports of the subject merchandise. Accordingly, Commerce preliminarily determines that IQOXE had no sales of subject merchandise during the POI, and therefore we preliminarily determine not to further examine IQOXE as part of this investigation. As such, any entries of subject merchandise exported by IQOXE will be subject to the all-others rate. For additional information regarding this determination, *see* the Preliminary Decision Memorandum.

#### All-Others Rate

Pursuant to section 735(c)(5)(B) of the Act, if the estimated weighted-average dumping margins established for all exporters and producers individually examined are zero, *de minimis* or determined based entirely on facts otherwise available, Commerce may use any reasonable method to establish the estimated weighted-average dumping margin for all-other producers or exporters.

Commerce has preliminarily determined the estimated weighted-average dumping margin for the individually examined respondent (*i.e.*, CEPSA) entirely under section 776 of the Act. Consequently, pursuant to section 735(c)(5)(B) of the Act, Commerce's normal practice under these circumstances has been to calculate the all-others rate as a simple average of the alleged dumping margins from the petition.<sup>8</sup> For a full description of the methodology underlying Commerce's analysis, *see* the Preliminary Decision Memorandum.

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<sup>7</sup> *Id.*

<sup>8</sup> *See, e.g., Notice of Preliminary Determination of Sales at Less Than Fair Value: Sodium Nitrite from the Federal Republic of Germany*, 73 FR 21909, 21912 (April 23, 2008), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Sodium Nitrite from the Federal Republic of Germany*, 73 FR 38986, 38987 (July 8, 2008), and accompanying Issues and Decision Memorandum at Comment 2; *see also Notice of Final Determination of Sales at Less Than Fair Value: Raw Flexible Magnets from Taiwan*, 73 FR 39673, 39674 (July 10, 2008); *Steel Threaded Rod from Thailand: Preliminary Determination of Sales at Less Than Fair Value and Affirmative Preliminary Determination of Critical Circumstances*, 78 FR 79670, 79671 (December 31, 2013), unchanged in

### Preliminary Determination

Commerce preliminarily determines that the following estimated dumping margins exist:

Exporter/Producer	Estimated Dumping Margin (percent)
CEPSA Quimica, S.A.	171.81
All Others	137.39

### Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, Commerce will direct CBP to suspend liquidation of entries of subject merchandise, as described in Appendix I, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the estimated dumping margin or the estimated all-others rate, as follows: (1) the cash deposit rate for the respondent listed above will be equal to the company-specific estimated dumping margin determined in this preliminary determination; (2) if the exporter is not a respondent identified above, but the producer is, then the cash deposit rate will be equal to the company-specific estimated dumping margin established for that producer of the subject merchandise; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated dumping margin.

### Disclosure

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*Steel Threaded Rod from Thailand: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances*, 79 FR 14476, 14477 (March 14, 2014).

Normally, Commerce discloses to interested parties the calculations performed in connection with a preliminary determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of the notice of preliminary determination in the *Federal Register*, in accordance with 19 CFR 351.224(b). However, because Commerce preliminarily applied AFA to the individually examined company (*i.e.*, CEPSA) in this investigation, in accordance with section 776 of the Act, and the applied AFA rate is based solely on the highest margin alleged in the petition, there are no calculations to disclose.

#### Verification

Because the examined respondent in this investigation did not provide information requested by Commerce, and Commerce preliminarily determines the examined respondent has been uncooperative, we will not conduct verification.

#### Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the date of publication of the preliminary determination, unless the Secretary alters the time limit.<sup>9</sup> Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.<sup>10</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited

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<sup>9</sup> See 19 CFR 351.309(c)(1)(i); *see also* 19 CFR 351.303 (for general filing requirements). Commerce has exercised its discretion under 19 CFR 351.309(c)(1)(i) to alter the time limit for submission of case briefs.

<sup>10</sup> See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

#### Final Determination

Section 735(a)(1) of the Act and 19 CFR 351.210(b)(1) provide that Commerce will issue the final determination within 75 days after the date of its preliminary determination. Accordingly, Commerce will make its final determination no later than 75 days after the signature date of this preliminary determination.

#### International Trade Commission Notification

In accordance with section 733(f) of the Act, Commerce will notify the International Trade Commission (ITC) of its preliminary determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: July 29, 2019.

Jeffrey I. Kessler,  
Assistant Secretary  
for Enforcement and Compliance.



## Appendix I

### Scope of the Investigation

The merchandise covered by this investigation is all grades of liquid or aqueous acetone. Acetone is also known under the International Union of Pure and Applied Chemistry (IUPAC) name propan-2-one. In addition to the IUPAC name, acetone is also referred to as  $\beta$ -ketopropane (or beta-ketopropane), ketone propane, methyl ketone, dimethyl ketone, DMK, dimethyl carbonyl, propanone, 2-propanone, dimethyl formaldehyde, pyroacetic acid, pyroacetic ether, and pyroacetic spirit. Acetone is an isomer of the chemical formula  $C_3H_6O$ , with a specific molecular formula of  $CH_3COCH_3$  or  $(CH_3)_2CO$ .

The scope covers both pure acetone (with or without impurities) and acetone that is combined or mixed with other products, including, but not limited to, isopropyl alcohol, benzene, diethyl ether, methanol, chloroform, and ethanol. Acetone that has been combined with other products is included within the scope, regardless of whether the combining occurs in third countries.

The scope also includes acetone that is commingled with acetone from sources not subject to this investigation.

For combined and commingled products, only the acetone component is covered by the scope of this investigation. However, when acetone is combined with acetone components from sources not subject to this investigation, those third country acetone components may still be subject to other acetone investigations.

Notwithstanding the foregoing language, an acetone combination or mixture that is transformed through a chemical reaction into another product, such that, for example, the acetone can no longer be separated from the other products through a distillation process (e.g., methyl methacrylate (MMA) or Bisphenol A (BPA)), is excluded from this investigation.

A combination or mixture is excluded from these investigations if the total acetone component (regardless of the source or sources) comprises less than 5 percent of the combination or mixture, on a dry weight basis.

The Chemical Abstracts Service (CAS) registry number for acetone is 67-64-1.

The merchandise covered by this investigation is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 2914.11.1000 and 2914.11.5000. Combinations or mixtures of acetone may enter under subheadings in Chapter 38 of the HTSUS, including, but not limited to, those under heading 3814.00.1000, 3814.00.2000, 3814.00.5010, and 3814.00.5090. The list of items found under these HTSUS subheadings is non-exhaustive. Although these HTSUS subheadings and CAS registry number are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Scope of the Investigation
- V. Scope Comments
- VI. Preliminary Determination of No Shipments
- VII. Application of Facts Available and Use of Adverse Inference
- VIII. All-Others Rate
- IX. Verification
- X. Conclusion

[FR Doc. 2019-16660 Filed: 8/2/2019 8:45 am; Publication Date: 8/5/2019]